

Volex plc

(incorporated and registered in England and Wales under number 00158956)



Notice of Annual General Meeting

Notice of the Annual General Meeting of Volex plc (the '**Company**') to be held at the offices of the Company, 10 Eastbourne Terrace, London W2 6LG on 24 July 2015 at 10 a.m. (the '**Annual General Meeting**' or '**AGM**') is set out on pages 5 and 6 of this document.

A Form of Proxy for use at the Annual General Meeting accompanies this document.

Whether or not you propose to attend the Annual General Meeting, please complete and submit the Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be deposited at the offices of the Registrar of the Company, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU or if you prefer you may return the Form of Proxy to the Registrar in an envelope addressed to FREEPOST CAPITA PXS (this is the only address information required on the envelope). Please note that the Freepost address must be completed in block capitals and delivery using this service can take up to 5 business days.

Alternatively, if you hold your shares in CREST, you may appoint a proxy via the CREST electronic proxy appointment service. Notice of your appointment of a proxy should reach Capita Asset Services by no later than 10 a.m. on 22 July 2015.

The results of the AGM will be announced as soon as practicable and will appear on the Company's website www.volex.com.

All times shown in this document are London times unless otherwise indicated.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor, accountant, or other professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document together with any accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the purchaser or transferee who now holds the shares.

Directors

Karen Slatford*
Christoph Eisenhardt
Daren Morris
Martin Geh*
Geraint Anderson*
Robert Beveridge*

* Non-Executive Directors

Registered Office

10 Eastbourne Terrace
London
W2 6LG

To holders of ordinary shares of 25p each in the Company

Dear Shareholder

The 2015 Annual General Meeting of the Company will be held on 24 July 2015 in accordance with the Notice of the AGM included on pages 5 and 6 of this document. A Form of Proxy is enclosed separately.

The meeting will consider and, if thought fit, pass the following resolutions, of which numbers 1 to 6 and 9 will be proposed as ordinary resolutions and numbers 7, 8 and 10 will be proposed as special resolutions.

Resolution 1 – Annual Report and Accounts

Shareholders will be asked to receive the Accounts for the year ended 5 April 2015 together with the Reports of the Directors and the Auditors thereon.

Resolution 2 – Directors' Remuneration Report

Resolution 2 is to approve the Directors' Remuneration Report (other than the part containing the Policy Report), which is contained within the annual report of the Company for the year ended 5 April 2015. As in previous years, this shareholder vote is advisory.

Resolution 3 – Election of Director

Resolution 3 seeks the election of Robert Beveridge as a Director of the Company. Robert was appointed as a Non-Executive Director and Chairman of the Audit Committee on 15 April 2015. As Robert was appointed after the Company's Annual General Meeting in 2014, in accordance with the Articles of Association of the Company, he will retire at the AGM and is seeking election.

Biographical details of all the Directors, including membership of Board committees, are set out on pages 28 and 29 of the Annual Report and Accounts 2015.

Resolutions 4 and 5 – Re-appointment and remuneration of Auditors

The Company is required to appoint auditors at each Annual General Meeting at which its accounts are presented to hold office until the next Annual General Meeting. Resolutions 4 and 5 propose that PricewaterhouseCoopers LLP, having indicated their willingness to continue in office, be re-appointed as auditors for the current financial year and that the Directors of the Company be authorised to determine their remuneration.

Resolution 6 – Authority to allot shares or grant subscription or conversion rights

Paragraph (a) of Resolution 6 (in line with the guidance issued by the Investment Association (formerly the ABI)) asks shareholders to grant the Directors authority under section 551 of the Companies Act 2006 (the '2006 Act') to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the 2006 Act up to a maximum aggregate nominal amount of £7,520,991, which represents approximately one-third of the issued ordinary share capital of the Company as at 25 June 2015 (being the latest practicable date prior to publication of this document).

Paragraph (b) of Resolution 6 (also in line with the guidance issued by the Investment Association) proposes that a further authority be conferred on the Directors to allot shares or grant subscription or conversion rights in connection with a rights issue up to a maximum aggregate nominal amount of £7,520,991. This amount represents approximately one-third of the issued ordinary share capital of the Company as at 25 June 2015.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2016 or 30 September 2016. The Directors have no present intention of exercising such authority. In the event that the allotment authority under paragraph (b) of Resolution 6 is exercised, the Directors intend to follow best practice as regards its use (including requiring the Directors to stand for re-election) as issued by the Investment Association. As at 25 June 2015, the Company did not hold any treasury shares.

Resolution 7 – Disapplication of pre-emption rights

If the Directors wish to allot any equity securities for cash, the 2006 Act requires that such equity securities are offered first to existing shareholders in proportion to their existing holdings. The allotment of equity securities as referred to in this resolution includes the sale of any shares which the Company holds in treasury following a purchase of its own shares.

Resolution 7 asks shareholders to grant the Directors authority to allot equity securities for cash up to an aggregate nominal value of £2,256,297 (being 10% of the Company's issued ordinary share capital as at 25 June 2015 (being the latest practicable date prior to publication of this document)) without first offering the securities to existing shareholders. However, the Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015 and not to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 7:

- (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares as at 25 June 2015; or
- (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with shareholders and the Investment Committees of the Investment Association and the National Association of Pension Funds,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Resolution 7 also asks shareholders to disapply the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under Resolution 6(a) and/or 6(b), and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems that might arise.

This authority will expire at the conclusion of the next Annual General Meeting of the Company in 2016 or on 30 September 2016, whichever is earlier.

Resolution 8 – Authority to purchase own shares

This resolution will allow for the renewal of the Company's authority to make market purchases of its own ordinary shares, up to a maximum of 9,025,189 ordinary shares (which is approximately 10% of the current issued ordinary share capital of the Company as at 25 June 2015 (being the latest practicable date prior to publication of this document)); such authority to expire at the conclusion of the next Annual General Meeting of the Company in 2016 or on 30 September 2016, whichever is earlier. The amount paid for each ordinary share (exclusive of expenses) shall not be more than the higher of (i) 5% above the average market value of an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made; or (ii) the price of the last independent trade and current independent bid as derived from the London Stock Exchange Trading System or less than 25p per ordinary share (being the amount equal to the nominal value of an ordinary share). The Directors have no present intention of exercising this authority. The authority will only be exercised if the Directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time.

Options to subscribe for up to 3,557,757 ordinary shares have been granted and are outstanding as at 25 June 2015, representing 3.94% of the issued ordinary share capital at that date. If the Directors were to exercise in full the power for which they are seeking authority under Resolution 8, the options outstanding as at 25 June 2015 would represent 4.38% of the ordinary share capital in issue following such exercise.

Resolution 9 – Approval of Volex Deferred Share Bonus Plan 2015 and amended remuneration policy of the Company

Resolution 9 seeks authority from shareholders for a new deferred bonus plan, the Volex Deferred Share Bonus Plan 2015 (the '**DBP 2015**'), allowing for satisfaction of deferred bonus awards in shares, whether by new issue or market purchase. Any new shares issued will count towards the existing approved dilution limit. Resolution 9 also seeks approval of an amended remuneration policy of the Company (the '**Policy**') in order to facilitate the deferral and payment of the annual bonus in shares. Vested deferred bonus awards will be subject to clawback. Malus may be applied to unvested deferred bonus awards. The introduction of the DBP 2015 is intended to provide the Remuneration Committee with the ability to ensure executive remuneration remains fit-for-purpose by supporting retention, improving alignment with shareholder interests, and aligning with best practice. A summary of the principal terms of the DBP 2015 is set out in the Appendix on pages 9 and 10 of this document.

Resolution 10 – Notice of general meetings

Under the 2006 Act prior to 3 August 2009, the minimum notice period to be given for general meetings other than annual general meetings, was 14 clear days. However, the Companies (Shareholders' Rights) Regulations 2009 amended this requirement by increasing the minimum notice period for general meetings of a listed company to 21 days but with an ability for such a company to reduce this period back to 14 days provided that:

- (a) the company offers a facility for shareholders to vote by electronic means. This condition is met if the company has a facility enabling all shareholders to appoint a proxy by means of a website; and
- (b) on an annual basis, a shareholders' resolution approving the reduction of the minimum notice period from 21 days to 14 days is passed.

Resolution 10 therefore proposes that the minimum period of notice for all general meetings of the Company other than annual general meetings be reduced to 14 days. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval of this resolution will be effective until the conclusion of the Annual General Meeting in 2016, when it is intended that the approval will be renewed.

Recommendations

The Board of Directors of the Company considers the resolutions set out in the Notice of the Annual General Meeting on pages 5 and 6 of this document to be in the best interests of the Company and the shareholders of the Company as a whole and therefore recommends that you vote in favour of these resolutions, as the Directors who hold ordinary shares intend to do in respect of their own beneficial holdings of 460,364 ordinary shares, which represent, in aggregate, approximately 0.51% of the Company's issued ordinary share capital.

Yours sincerely

Karen Slatford

Chairman

26 June 2015

NOTICE IS HEREBY GIVEN that the ninety-fifth Annual General Meeting of Volex plc (the ‘**Company**’) will be held at the offices of the Company, 10 Eastbourne Terrace, London W2 6LG on 24 July 2015 at 10 a.m. for the following purposes.

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 6 and 9 will be proposed as ordinary resolutions and numbers 7, 8 and 10 will be proposed as special resolutions.

Resolutions

1. THAT, the audited accounts of the Company for the financial year ended 5 April 2015, together with the Directors’ Report and Auditors’ Reports thereon, be received.
2. THAT, the Directors’ Remuneration Report (other than the part containing the Policy Report), set out on pages 39 to 53 of the Annual Report and Accounts for the financial year ended 5 April 2015, be approved.
3. THAT, Robert Beveridge, who has been appointed as a Director since the last Annual General Meeting of the Company, be elected as a Director of the Company.
4. THAT, PricewaterhouseCoopers LLP be reappointed as auditors of the Company to hold office until the conclusion of the next general meeting of the Company at which the accounts are laid before the Company.
5. THAT, the Directors of the Company be authorised to determine the auditors’ remuneration.
6. THAT, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the ‘**2006 Act**’), in substitution for all subsisting authorities, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(a) up to an aggregate nominal amount of £7,520,991; and

(b) comprising equity securities (within the meaning of section 560 of the 2006 Act) up to an aggregate nominal amount of £7,520,991 in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be practicable) to the respective number of equity securities held by them, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise, and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2016 or on 30 September 2016, whichever is earlier, but so that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

7. THAT, subject to the passing of Resolution 6, the Directors be and are hereby empowered pursuant to section 570 of the Companies Act 2006 (the ‘**2006 Act**’) to allot equity securities (as defined in section 560 of the 2006 Act) for cash, pursuant to the general authority conferred by Resolution 6, as if section 561(1) and sub-sections (1) – (6) of section 562 of the 2006 Act did not apply to such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 6 by way of rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively may be attributable to the interests of such holders and persons are proportionate (as nearly as may be practicable) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £2,256,297,

and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2016 or on 30 September 2016, whichever is earlier, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

This power applies in relation to a sale of shares that is an allotment of equity securities by virtue of section 560(3) of the 2006 Act as if in the first paragraph of this resolution the words ‘pursuant to the general authority conferred by Resolution 6’ were omitted.

8. THAT, the Company be generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the '**2006 Act**'), to make market purchases (as defined in section 693 of the 2006 Act) of up to 9,025,189 ordinary shares of 25p each in the capital of the Company ('**Ordinary Shares**') on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
- (a) the amount paid for each Ordinary Share (exclusive of expenses) shall be not more than the higher of (i) 5% above the average market value of an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the five business days before the date on which the contract for the purchase is made, or (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System or less than 25p per Ordinary Share, being the nominal amount thereof; and
 - (b) the authority herein contained shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 or on 30 September 2016, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own Ordinary Shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own Ordinary Shares in pursuance of such contract as if the authority hereby conferred had not expired.
9. THAT,
- (a) the Volex Deferred Share Bonus Plan 2015 (the '**DBP 2015**'), a copy of the rules of which has been produced to the meeting and signed by the Chairman for the purpose of identification and a summary of the main provisions of which is set out in the Appendix on pages 9 and 10 of the Notice of Annual General Meeting and Explanatory Notes, be and is hereby approved;
 - (b) the remuneration policy of the Company as amended to facilitate the deferral and payment of annual bonuses in shares, such amendments as reflected on pages 40 to 45 of the Directors' Remuneration Report contained within the annual report of the Company for the year ended 5 April 2015, be and is hereby approved; and
 - (c) the board of directors of the Company be and is hereby authorised to do all such acts and things as it may consider necessary or desirable to give effect to the DBP 2015 including the establishment of other deferred share bonus plans for the benefit of employees located outside the UK based on the DBP 2015 but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under any such further plans are treated as counting against the limits on individual or overall participation in the DBP 2015.
10. THAT, a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Nicole Pask

General Counsel and Company Secretary
26 June 2015

Volex plc

Registered in England and Wales No. 00158956

Registered office:

10 Eastbourne Terrace

London W2 6LG

Notes of the Notice of Annual General Meeting

Proxies

1. A member entitled to attend, speak and vote at the above meeting may appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post or (during normal business hours only) by hand at the Company's Registrars, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours (excluding any part of a day that is not a business day) before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrar in an envelope addressed to FREEPOST CAPITA PXS (this is the only address information required on the envelope). Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to 5 business days. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
4. Completion and return of a Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not preclude a member from attending and voting in person, should he or she subsequently decide to do so.

Nominated Persons

5. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the '2006 Act') (a 'Nominated Person') does not have the right to appoint a proxy, although he/she may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, he/she may, under an agreement with the relevant shareholder, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholder who appointed them for further information on this and the procedure for appointing any such proxy.

Record Date

6. Only the holders of ordinary shares entered on the register of members of the Company as at 6 p.m. on 22 July 2015 (or, in the event of any adjournment, 6 p.m. on the date which is two business days before the date of the adjourned meeting) shall be entitled to attend either in person or by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total Voting Rights

7. As at 25 June 2015 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 90,251,892 ordinary shares of 25p each, carrying one vote each. The Company does not hold any shares in treasury. Therefore the total voting rights in the Company as at 25 June 2015 are 90,251,892.

CREST Proxy Instructions

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('Euroclear') specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent Capita Asset Services (ID RA10) by 10 a.m. on 22 July 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

Publication of audit concerns

12. Under section 527 of the 2006 Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

Questions

13. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents on display

14. Copies of the terms and conditions of appointment of the Non-Executive Directors, the service contracts of the Executive Directors and the rules of the Volex Deferred Share Bonus Plan 2015 will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to, and until the conclusion of, the Annual General Meeting.

Information available on the Website

15. A copy of this notice and the information required to be published by section 311(A) of the 2006 Act can be found at www.volex.com. Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Appendix

Summary of the principal provisions of the Volex Deferred Share Bonus Plan 2015

1. Introduction

The Plan authorises the board of directors (the '**Directors**') or, in the case of an award to a director of the Company, the Remuneration Committee of the Directors to award bonuses to employees of members of the Volex group of companies for a financial year to be satisfied, on a deferred basis, by the allotment and issue or transfer of ordinary shares of 25p each in the Company ('**Shares**'). The number of Shares in respect of which each such award is made for a given year will be calculated by dividing the cash amount of notional bonus to be awarded for that year by the average of the closing prices of a Share on the 3 dealing days last preceding the date of determination of such award. Such determinations may only be made within the period of 42 days following the approval by shareholders of the Plan in general meeting and thereafter, within a period of 42 days following an announcement of results of the Company or, subject to the Model Code, at any other time if, in the opinion of the Directors, the circumstances are exceptional. No award may be made after the 10th anniversary of the date on which shareholders approve this Plan in general meeting.

2. Deferral period

Shares which are the subject of an award ('**Award Shares**') will not normally become vested (that is, the participant will not normally become entitled to be paid the Award Shares) until after the end of a deferral period specified when the award is made and which is not earlier than the first anniversary of the date of award. (It is anticipated that initial awards made in respect of the current financial year will vest as to 50% after 1 year, and the balance after 2 years, from the date of award.)

3. Satisfaction of awards

Award Shares may be satisfied in such one of three ways as is specified when the award is made:

- (a) by the transfer of existing Shares from the Company's employees' share trust (the '**Trust**');
- (b) if a participant so agrees, by the allotment and issue of new Shares in satisfaction of the Company's obligation to pay a cash sum equal to the market value of the Award Shares at the time they become vested; or
- (c) by requiring the participant to pay, as consideration for the allotment and issue of the vested Award Shares, the aggregate nominal value of those Shares.

4. Individual limit on the number of Award Shares

In the case of a Director of the Company, the aggregate market value (as at the date of an award) of the Shares in respect of which an award is made for a given year may not, unless the Committee determines that the circumstances are exceptional, exceed 100 per cent of the Directors' rate of basic annual salary as at the end of that year.

If any award is to be satisfied as mentioned in (c) above, the Directors (or, as the case may be, the Committee) may increase the number of Award Shares so allotted and issued by such number of Shares as is equal in market value (as at the vesting date) to the aggregate subscription monies which the participant is required to pay for all of the Award Shares (including such additional Shares).

5. Limit on the issue of new shares

There is a limit, of 11 per cent, on the number of Shares which may on any day be issued to satisfy awards under the Plan when added to (i) the number of Shares previously issued to satisfy awards made under the Plan (ii) and the number of Shares issued, or in respect of which rights to acquire Shares have previously been granted (and, if not exercised, have not lapsed) in the period of 10 years ending with that date, under any other employees' share schemes.

6. Early vesting – corporate events

The vesting period set in relation to an award shall be deemed to end, and Award Shares may be transferred to participants if the Company is the subject of a change of control (takeover) or is wound up in consequence of a reorganisation or reconstruction.

7. Early leaving

If a participant no longer holds office or employment within the Volex group ('**leaves**') by reason of death, injury, ill-health or disability, normal retirement or redundancy, he or she may retain the benefit of an award. If a participant leaves for any other reason, all awards made to him or her will, unless (in any situation not involving misconduct) the Directors or, as the case may be, the Committee, otherwise determine, be immediately revoked.

8. Adjustment of share awards

If there is a rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the Company's ordinary share capital, or the implementation by the Company of a demerger or payment of a special dividend which would otherwise materially affect the value of Award Shares, the Committee may adjust the number of Shares subject to awards.

9. Malus and clawback provisions

All awards will be subject to “malus” and clawback provisions under which the number of Award Shares may be reduced and/or vested award shares forfeited if the Committee becomes aware of any material misstatement or inaccuracy in the accounts or the basis of calculation of vested award. Such provisions will apply both before, and throughout the period of 3 years after, award shares become vested.

10. Awards to be non-pensionable

Benefits under the Plan will not be pensionable.

11. Rights attaching to shares

Shares allotted or transferred under the Plan will rank alongside shares of the same class then in issue. The Company will apply to the UK Listing Authority for the listing of any newly issued shares.

An award will not confer any shareholder rights until awards have vested and Award Shares have been allotted and issued, or transferred, to a participant.

12. Amendment of the Plan

The Committee may amend the Plan. However, the provisions governing eligibility requirements, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire shares and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of existing or new participants without the prior approval of the Company’s shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or developments in the law affecting the Plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan or for any member of the Group.

This summary does not form part of the rules of the Plan and should not be taken as affecting the interpretation of its detailed terms and conditions. The Board reserves the right, up to the time of the Annual General Meeting at which it is submitted to shareholders for approval, to make such amendments and additions to the Plan as may be necessary to take account of comments of institutional shareholders and otherwise, provided that such amendments do not conflict in any material respect with this summary.

